



New Jersey Department of Children and Families Policy Manual

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Definitions

3-2-94

A cost center code is a three-digit number plus a descriptive title assigned to each organizational unit within CP&P.

Purpose and Use

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Cost center codes identify the actual expenditures, and the different types of costs incurred by each individual organizational unit. Expenditures such as employee salaries, materials, supplies, and services, etc., are coded to the appropriate cost center when payments are processed.

Through the use of cost center codes data is collected that is used to:

- prepare budgets;
- provide the Federal government with information to justify claims for reimbursement;
- provide information to the State Legislature for requested costs by organizational function at annual budget negotiations; and
- provide information to other non-governmental agencies or other state agencies.

All state documents requiring payment of vendor invoices, interdivisional, or interdepartmental charges, payments of employee salaries, etc. must show a cost center code. To ensure proper and expeditious delivery of interdivisional mail, a cost center code should be used.

Approving Cost Center Changes

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All requests for cost center changes, including additions, modifications, and deletions, must be submitted to the Assistant Director, Policy, Planning, Budgeting and Accountability. The requests must be in writing, include reasonable justification for the changes, and signed by the appropriate senior staff member. Requests to establish a new cost center must include a functional description of the proposed new cost center. Note: this process does not apply to the transfer of employees between existing cost centers.

The Assistant Director, Policy, Planning, Budgeting and Accountability, submits each request to a Cost Center Review Committee made up of representatives as designated below. Requests for changes to cost centers are assessed on the basis of the potential impact on cost allocation, federal claiming, position control, accounting systems, and other internal systems. Upon completion of the review of a request, the review committee makes a recommendation to the Assistant Director, Policy, Planning, Budgeting and Accounting, who approves or disapproves each request.

The review committee shall either approve/disapprove the request for a new cost center. Each committee member's vote will note any specifics which would cause problems within his operations. This information is forwarded to the Assistant Director Policy, Planning, Budgeting and Accountability for determination.

If a request is disapproved by the Assistant Director, Policy, Planning, Budgeting and Accountability, the senior staff member who submitted the request is notified of the disapproval and the reason(s) for disapproval. The Review Committee Chairman notifies the following individuals of approved cost center changes:

- the senior staff member who submitted the request,
- the Chief Budget Officer,
- the Management Coordinator, Office of Accounting,
- the Personnel Officer,
- the Administrator, Office of Facilities Management,
- the Chief, Office of Accounting,
- the Supervisor, Office of Telecommunications and Information Services,
- the Chief, Office of Accounting, and
- the Cost Allocation Specialist (Chairman).

The Personnel Officer is responsible for insuring that the approved cost center changes are incorporated into the payroll and personnel information systems. The Administrator, Office of Facilities Management, is responsible for insuring that the mail distribution records are updated to include the approved cost center changes.

The Chief, Office of Accounting, is responsible for insuring that the approved cost center changes are incorporated into all related accounting systems. The Cost Allocation Specialist is responsible for notifying the Department's Office of Finance of the approved cost center changes so that the changes can be incorporated into the Division's Cost Allocation Plan.